

Fellowships/Tuition Benefits/Scholarships/Stipends Impact on Undergraduate Student Loans

Best Practices

Timing / Amounts / Method

Award as early as possible — by mid-August at latest — so funds are accounted for in aid package and an overaward is avoided. Award equal amounts for fall and spring semesters from the same funding source.

Students can self-report approx. anticipated gift aid to get these funds accounted for before loan amounts are calculated and/or fully refunded to the student. If appointments change from one semester to the next, have student notify One Stop of a “tuition benefit adjustment” and include a copy of the contract for details.

If Department or student expect to allocate/receive an award later in the year, inform One Stop as soon as possible to understand the impact on their aid package and student account. Any changes may have the student owing funds back.

Award fellowships using the automated scholarship system.

Fall aid disburses the end of August and spring aid mid-January. It is important that gift funds are in the aid package before aid disburses or students end up owing funds back.

Principles

Financial Aid

The combination of loans and other estimated financial assistance (EFA) cannot exceed the student’s cost of attendance (COA), in accordance with federal regulations and University policy.

The financial aid processing system defaults to equal estimates for fall and spring awards.

Almost all resources except a salary/hourly wage are counted as EFA:

- Fellowships
- Tuition benefits
- Tuition waivers
- Scholarships
- Monetary stipends

Worst-Case Scenarios

Negative consequences for the student if gift aid awarded after loans have disbursed:

- A reversal of loan money
- A bill in the student account
- Late fees in the student account
- Prevention of registration
- Cancellation of registration

Complications

We see departments trying to award students funding to cover outstanding balances from previous terms. This money is EFA and without a corresponding increase to the cost of attendance for what can be legitimate reasons (increased tuition costs, extra travel or expenses for research) the student is overawarded and will experience a reduction to the prior terms funding and still owe money to the school.

Impacts

The impact on loans when other aid is awarded late can vary depending on:

- Amount of the other aid
- If the aid is for one-term
- If student took out their full loan eligibility
- If the fellowship was awarded through payroll
- If the student has already received and spent their refund
- Student resources to pay outstanding balance.